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Mexico

Dairy and Products

Mexico Announces TRQ for Milk Powder Imports from Nicaragua

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Report Highlights:

On October 10, 2008, Mexico's Secretariat of Economy (SE) announced a 5000 metric ton (MT) duty free tariff-rate quota (TRQ) for milk powder from Nicaragua as part of its Free Trade Agreement of 1998. The TRQ amount will be available each period until 2012.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico City [MX1]
[MX]

Introduction: This report summarizes the official announcement published in Mexico's "*Diario Oficial*" (Federal Register) on October 10, 2008.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

FAS/Mexico's Executive Summary: The Secretariat of Economy (SE) announced in the "*Diario Oficial*" (Federal Register) the TRQ for milk powder as part of its free trade agreement signed with Nicaragua. This announcement recognizes that domestic milk powder production is insufficient to meet the needs of domestic milk powder processors. This TRQ is in effect until June 30, 2012.

Table 1. Mexico: Products Covered Under TRQ

H.S. Number and Product	TRQ amount per period
0402.10.01 Milk in powder or tablets, containing not over 1.5 percent by weight of butterfat. Without sugars or sweeteners	5,000 MT
0402.21.01 Milk in powder or tablets, containing over 1.5 percent by weight of butterfat. Without sugars or sweeteners	

The mechanism through which the TRQ will be allocated is defined in Table 2.

Table 2. Mexico: TRQ Allocation Process

Beneficiaries	Allocation Mechanism	Total Quantity (MT)	Import and Application Period (2008-2012)	Observations
A) Individuals, companies or associations who are established in Mexico as an <i>Importer of Record</i> . ¹	Direct – first come first served	4,000	July 1 to June 30	The amount assigned per request is equal to the amount requested up to 1,000 MT.
B) Individuals, companies or associations not included in the previous statement.	Direct – first come first served	1,000	July 1 to June 30	The amount assigned per request is equal to the amount requested up to 200 MT.

1. **Importer of record** is defined as the person who has obtained a TRQ for milk powder either under NAFTA, MFN of WTO or Mexico-Nicaragua free trade agreement in the past four years.

Imported product may not be sold within the state into which it is imported.

The applications for the allocation of import permits (or "*cupos*") can be submitted using forms SE-03-011-1 and SE-03-013-5. These forms can be found at the following SE web site:

<http://www.cofemer.gob.mx/rfts/ficha.asp?homoclave=se-03-033-A>

<http://www.cofemer.gob.mx/rfts/ficha.asp?homoclave=se-03-042>

Completed forms must be filed in person at the local SE office.

Once the quantity to be imported is allocated under the TRQ, SE will issue non-transferable *cupos* within 5 workdays after the date submitted.

FAS/Mexico Note: This is NOT an invitation for bids to purchase selected dairy products. Rather, it is an auction for the right to import the listed product duty free from Nicaragua. Thus, the auction is limited to Mexican companies within the dairy industry who use dairy products in their production process. Mexican importers who are granted *cupos* will likely be looking to import products shortly after the auction is announced. U.S. milk powder will continue to be granted unlimited duty-free access to the Mexican market under the NAFTA.

Important Dates

1. **Publication Date:** October 10, 2008.
2. **Implementation Date:** October 11, 2008
3. **Validity Period:** Until June 30, 2012

Other Relevant Reports

MX8008 Mexico Announces TRQ (Cupos) for Milk Powder Imports from WTO Member Countries. <http://www.fas.usda.gov/gainfiles/200802/146293685.pdf>

MX7007 Mexico Announces the TRQ to import Dairy Preparations for 2008
<http://www.fas.usda.gov/gainfiles/200701/146280021.pdf>

MX8033 Dairy and Products Semi-Annual
<http://www.fas.usda.gov/gainfiles/200805/146294656.pdf>

MX8052 Livestock and Products Annual
<http://www.fas.usda.gov/gainfiles/200810/146296082.pdf>

MX8067 Dairy and Products Annual report
Not yet posted to the GAIN database